

# CANADIAN ARROW MINES LIMITED

---

## ANNUAL REPORT

---

FOR THE YEAR ENDED DECEMBER 31

**1979**



## **Canadian Arrow**

Canadian Arrow Mines Ltd. of Toronto has granted a lease of its six mining claims in Hislop Township, Ont., to Pamour Porcupine Mines Ltd., also of Toronto, for a term of 20 years, once renewable.

As well as a downpayment of \$5,000, Arrow is to receive a royalty of 30 per cent of net profit derived by Pamour from the property. In addition to agreeing to

use its best efforts to bring the property into production at the rate of 500 tons a day, Pamour will spend \$50,000 in each of the first three years of exploration.

# ARROW MINES LIMITED

## REPORT OF DIRECTORS

### TO THE SHAREHOLDERS:

The property work conducted by the Corporation during 1979 was confined to sinking four diamond drill holes upon its Hislop property, near Timmins, in the District of Cochrane. On the basis of this and earlier work Pamour Porcupine Mines Limited has, subject to your approval, been granted a mining lease of the property for \$5,000, a royalty of 30% of its net profits from it and certain work commitments.

The Corporation continued to hold in good standing, free of encumbrance, its patented mining claims in the Dogpaw Lake area, District of Kenora, and in McCann Township, District of Cochrane; and retains its substantial investment in shares and obligations of Slocan-Rambler Mines (1947) Limited.

The balance sheet as at December 31, 1979, with supporting financial statements for that year then ended and auditors' report thereon form part of this 1979 Annual Report.

Please note the change of the Corporation's address.

Respectfully submitted,

On behalf of the Board,

E. Ross Huggard,  
President.

Toronto, Ontario  
February 22, 1980.

### Head Office

Suite

Commerce

P.O. Box

Commerce

Toronto

M5L 1A1

### Directors

E. G. Huggard  
Windsor

E. Ross Huggard  
Arnprior

R. J. D. MacMillan  
Picton

D. E. G. Schmitt  
Toronto

J. M. Slack  
Toronto

### Officers

E. Ross Huggard  
President

E. G. Huggard  
Vice-President

F. Blair  
Secretary-Treasurer

### Transfer Agent and Registrar

Premier Trust Company  
19 Richmond Street West  
Toronto

### Auditors

Thorne Riddell  
Toronto

### Annual Meeting

Boardroom, Suite 3801  
Commerce Court West  
Toronto  
March 21, 1980 at 10:00 a.m.  
(Toronto Time)



# CANADIAN ARROW MINES LIMITED

(Incorporated under the laws of Ontario)

## BALANCE SHEET AS AT DECEMBER 31, 1979

ASSETS		1979	1978
<b>Current Assets</b>			
Cash, including term deposits .....		\$ 76,644	\$ 96,565
Accrued interest and dividend receivable .....		1,682	
Prepaid expenses .....		796	
		<u>79,122</u>	<u>96,565</u>
<b>Investment in Other Companies</b>			
Marketable securities, at cost (quoted market value 1979, \$200,265; 1978, \$195,014) (note 2) .....		56,376	79,714
Slocan-Rambler Mines (1947) Limited			
Shares (no quoted market value) .....		14,805	14,805
Advances .....		20,000	21,250
Other shares, at cost less amounts written off .....		5	5
		<u>91,186</u>	<u>115,774</u>
<b>Fixed Assets</b>			
Equipment, at cost .....			10,852
Less accumulated depreciation .....			<u>9,353</u>
			1,499
Mining claims (notes 3 and 4)			
Township of Hislop, Ontario, acquired for \$5,583 cash and 480,242 shares valued at \$6,645 .....		12,228	12,228
Dogpaw Lake Area, Ontario, at nominal value .....		1	1
		<u>12,229</u>	<u>13,728</u>
<b>Exploration, Development and Administrative Expenditures Deferred (note 4) .....</b>		<u>687,576</u>	<u>598,733</u>
		<u>\$ 870,113</u>	<u>\$ 824,800</u>

## LIABILITIES

<b>Current Liabilities</b>			
Accounts payable and accrued liabilities .....		\$ 1,500	\$ 1,500

## SHAREHOLDERS' EQUITY

<b>Capital Stock (note 5)</b>			
Authorized — 10,000,000 shares (1978 — 5,000,000 shares) without par value			
Issued — 3,557,287 shares .....		1,242,570	1,242,570
Deficit .....		<u>373,957</u>	<u>419,270</u>
		868,613	823,300
		<u>\$ 870,113</u>	<u>\$ 824,800</u>

Approved by the Board

E. ROSS HUGGARD, Director  
ROBERT MacMILLAN, Director

# CANADIAN ARROW MINES LIMITED

## STATEMENT OF EXPLORATION, DEVELOPMENT AND ADMINISTRATIVE EXPENDITURES DEFERRED

YEAR ENDED DECEMBER 31, 1979

Exploration	1979	1978
Hislop Township, Ontario		
Diamond drilling .....	\$ 48,501	
Engineering consultant fees .....	8,228	
Travelling expenses .....	3,814	
Assaying fees .....	2,429	
Taxes and insurance .....	1,061	\$ 543
	<u>64,033</u>	<u>543</u>
General exploration expenses		
Depreciation		
Automobile .....		362
Equipment .....		33
Other .....	100	100
	<u>100</u>	<u>495</u>
Total exploration expenditures .....	<u>64,133</u>	<u>1,038</u>
Administrative		
Office rent and occupancy expenses .....	7,206	7,978
Office salaries .....	10,880	9,280
Telephone and telegraph .....	1,422	1,024
Directors' fees .....	875	490
Meeting and report expenses .....	3,475	2,246
Stock exchange fees .....	3,000	1,000
Share issue and transfer expense .....	1,850	783
Legal fees .....	3,156	1,025
Audit fees .....	1,750	1,300
Depreciation of office equipment .....		131
Business taxes .....	1,342	1,247
Capital taxes .....	100	100
General expenses .....	2,492	2,015
Charge to associated companies for office services .....	(2,900)	(3,900)
	<u>34,648</u>	<u>24,719</u>
	98,781	25,757
Interest and dividends .....	<u>9,838</u>	<u>8,932</u>
Excess of expenditures over interest and dividends .....	88,943	16,825
Balance Deferred at Beginning of Year .....	598,733	582,403
	<u>687,676</u>	<u>599,228</u>
Deduct exploration expenditures written off to deficit		
General exploration .....	100	495
Balance Deferred at End of Year .....	<u>\$ 687,576</u>	<u>\$ 598,733</u>
Summary of expenditures deferred		
Exploration and development of claims		
Hislop Township, Ontario .....	\$ 539,774	\$ 475,741
Administrative expenditures less interest and dividends .....	147,802	122,992
	<u>\$ 687,576</u>	<u>\$ 598,733</u>

# CANADIAN ARROW MINES LIMITED

## STATEMENT OF DEFICIT

YEAR ENDED DECEMBER 31, 1979

	1979	1978
Deficit at Beginning of Year . . . . .	\$ 419,270	\$ 494,796
Cost of investments written off . . . . .		4,794
General exploration expenses written off . . . . .	100	495
Cost of Articles of Amendment written off . . . . .	550	
	<u>419,920</u>	<u>500,085</u>
Gain on sale of securities . . . . .	(45,598)	(5,815)
Gain on sale of fixed assets . . . . .	(365)	
Reduction in allowance for decline in value of investments . . . . .		(75,000)
Deficit at End of Year . . . . .	<u>\$ 373,957</u>	<u>\$ 419,270</u>

## STATEMENT OF CHANGES IN FINANCIAL POSITION

YEAR ENDED DECEMBER 31, 1979

	1979	1978
<b>Working Capital Derived from</b>		
Proceeds from sale of securities . . . . .	\$ 69,667	\$ 11,155
Proceeds from sale of fixed assets . . . . .	1,865	
Interest and dividends . . . . .	9,838	8,932
Repayment of advances to Slocan-Rambler Mines (1947) Limited . . . . .	1,250	
	<u>82,620</u>	<u>20,087</u>
<b>Working Capital Applied to</b>		
Exploration and administrative expenditures . . . . .	98,781	25,757
Deduct depreciation not involving working capital . . . . .		526
	<u>98,781</u>	<u>25,231</u>
Purchase of marketable securities . . . . .	732	
Cost of Articles of Amendment . . . . .	550	
Advances to Slocan-Rambler Mines (1947) Limited . . . . .		2,273
	<u>100,063</u>	<u>27,504</u>
Decrease in Working Capital . . . . .	17,443	7,417
Working Capital at Beginning of Year . . . . .	95,065	102,482
Working Capital at End of Year . . . . .	<u>\$ 77,622</u>	<u>\$ 95,065</u>



# CANADIAN ARROW MINES LIMITED

## NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 1979

### 1. ACCOUNTING POLICIES

#### (a) Investment in Slocan-Rambler Mines (1947) Limited

The company effectively controls Slocan-Rambler Mines (1947) Limited. Slocan-Rambler is a mining company which holds silver, lead and zinc properties in Kootenay District of the Province of British Columbia, which, until it develops an economic mining operation, is deferring its expenditures in its accounts. The company records its investment in this company as follows:

	1979	1978
735,496 Shares of which 114,000 shares are escrowed, at cost less amounts written off	\$ 14,805	\$ 14,805
Advances	20,000	21,250
	<u>\$ 34,805</u>	<u>\$ 36,055</u>

#### (b) Mining claims

Mining claims are recorded at cost. When a property is considered to be permanently uneconomic, it is written down to a nominal value.

### 2. MARKETABLE SECURITIES

	Number of shares	Quoted market value	Cost
Kam-Kotia Mines Ltd.	31,023	\$ 197,772	\$ 55,107
Noranda Mines Limited	60	1,343	537
Pamour Porcupine Mines limited	100	1,150	732
		<u>\$ 200,265</u>	<u>\$ 56,376</u>

### 3. MINING CLAIMS

#### Dogpaw Lake Area, Ontario

These mining claims, in prior years, were considered uneconomic and therefore were written down to a nominal value of \$1.

At the current market price for gold, the nominal value attributed to these claims is not necessarily indicative of their true worth.

### 4. RECOVERY OF COSTS

Exploration, development and administrative expenditures amounting to \$687,576 at December 31, 1979 have been deferred with the intention that they should be amortized along with the cost of mining claims by charges against income from future mining operations. The recovery of these costs is dependent, therefore, upon the obtaining of adequate financing and the development of an economic mining operation.

### 5. CAPITAL STOCK

Under Articles of Amendment dated September 18, 1979, the authorized capital of the company was increased to 10,000,000 shares without par value.

### 6. INCOME TAXES

At December 31, 1979 the company has mining exploration and administrative expenditures of approximately \$750,000 available for tax purposes in future years, the tax effect of which has not been recorded in the accounts.

### 7. OTHER STATUTORY INFORMATION

Remuneration of directors and senior officers as defined by The Business Corporations Act amounted to \$11,755 in 1979 and \$9,770 in 1978.

## AUDITORS' REPORT

To the Shareholders of  
Canadian Arrow Mines Limited

We have examined the balance sheet of Canadian Arrow Mines Limited as at December 31, 1979 and the statements of exploration, development and administrative expenditures deferred, deficit and changes in financial position for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the company as at December 31, 1979 and the results of its operations and the changes in its financial position for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Toronto, Canada  
January 11, 1980

THORNE RIDELL & CO.  
Chartered Accountants

# STANDARD FORM NO. 64

## DECLARATION OF WORKING INTEREST

TO BE COMPLETED BY THE EMPLOYEE

1. I am a member of the Public Service of Canada and I am employed in the position of Assistant Secretary in the Department of the Environment.

2. I am employed in the position of Assistant Secretary in the Department of the Environment and I am a member of the Public Service of Canada.

3. I am employed in the position of Assistant Secretary in the Department of the Environment and I am a member of the Public Service of Canada.

4. I am employed in the position of Assistant Secretary in the Department of the Environment and I am a member of the Public Service of Canada.

5. I am employed in the position of Assistant Secretary in the Department of the Environment and I am a member of the Public Service of Canada.

6. I am employed in the position of Assistant Secretary in the Department of the Environment and I am a member of the Public Service of Canada.

7. I am employed in the position of Assistant Secretary in the Department of the Environment and I am a member of the Public Service of Canada.

8. I am employed in the position of Assistant Secretary in the Department of the Environment and I am a member of the Public Service of Canada.

9. I am employed in the position of Assistant Secretary in the Department of the Environment and I am a member of the Public Service of Canada.

10. I am employed in the position of Assistant Secretary in the Department of the Environment and I am a member of the Public Service of Canada.

11. I am employed in the position of Assistant Secretary in the Department of the Environment and I am a member of the Public Service of Canada.

12. I am employed in the position of Assistant Secretary in the Department of the Environment and I am a member of the Public Service of Canada.

13. I am employed in the position of Assistant Secretary in the Department of the Environment and I am a member of the Public Service of Canada.

14. I am employed in the position of Assistant Secretary in the Department of the Environment and I am a member of the Public Service of Canada.

15. I am employed in the position of Assistant Secretary in the Department of the Environment and I am a member of the Public Service of Canada.

16. I am employed in the position of Assistant Secretary in the Department of the Environment and I am a member of the Public Service of Canada.

17. I am employed in the position of Assistant Secretary in the Department of the Environment and I am a member of the Public Service of Canada.

18. I am employed in the position of Assistant Secretary in the Department of the Environment and I am a member of the Public Service of Canada.

19. I am employed in the position of Assistant Secretary in the Department of the Environment and I am a member of the Public Service of Canada.

20. I am employed in the position of Assistant Secretary in the Department of the Environment and I am a member of the Public Service of Canada.